

Approved in Open Board Meeting, October 21, 2014

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
OFFICE OF THE SUPERINTENDENT

September 16, 2014
Tuesday, 5:30 p.m.

MINUTES OF SPECIAL MEETING

The School Board of Broward County, Florida, met in special session at 5:40 p.m., Tuesday, September 16, 2014, in the Board Room of the Kathleen C. Wright Administrative Center, 600 Southeast Third Avenue, Fort Lauderdale, Florida. Present were: Chair Patricia Good, Vice Chair Donna P. Korn; Members Robin Bartleman, Heather P. Brinkworth, Abby M. Freedman, Laurie Rich Levinson, Ann Murray, Dr. Rosalind Osgood, (Nora Rupert); Superintendent Robert W. Runcie; and J. Paul Carland, II., Esq.

Call to Order The call to order was followed by the Pledge of Allegiance to the Flag of the United States of America.

Close Agenda Upon motion by Mrs. Korn, seconded by Mrs. Bartleman and carried, the Agenda was approved and declared closed. (9-0 vote)

Purpose of Meeting Public Hearing for Millage Levy and Adopted Budget for Fiscal Year 2014-2015.

Introduction by Chair

Welcoming the audience to the second public hearing on the Broward County School District's adopted 2014-2015 budget, Chair Good indicated that the purpose of this hearing is to keep the public and the School Board fully informed as to whether the district is using sound policies and practices that meet the needs of students and warrant public confidence in the district's operations. The law requires the public to be given the opportunity to provide input into the millage rates and budget. Mrs. Good stated this is the second of two public hearings for the millage rates and budget.

Explaining the procedure to be followed for this hearing, Mrs. Good stated that at the end of the presentation speakers will be called to the floor and will be given three minutes to address the Board.

Mrs. Good thanked the audience for their support of Broward County Public Schools and for attending this meeting.

Statement by Superintendent

Mr. Runcie indicated that the district continues to recover from the economic downturn that started in 2008. The state has provided additional funding for school districts. Through careful planning and forecasting, the district was able to provide employees a 2.5% salary increase last year and in 2014-2015 set aside (over \$60 million) sufficient funding to support second year performance pay implementation for teachers.

The Superintendent highlighted the implementation of cost efficiencies and the creation of opportunities to reinvest those cost efficiencies into the classrooms. Mr. Runcie referred to page 2 of the Tentative District Budget (handout), Operating Cost Efficiencies (\$35.3 million) and page 3, Re-Invested in the Classroom, illustrating investment opportunities that include the Digital 5 initiative which will be expanded to 69 schools. He noted that the Scholastic Chess program began this year for 2nd and 3rd grade classrooms to help build students' math and strategic, critical thinking skills.

Referring to page 5, 2014-15 Critical Projects and District Initiatives - Major Highlights, Mr. Runcie stated that \$53 million in funding will be invested for classrooms and schools such as Digital 5, personalized learning environment with computer refresh, Benchmark Assessment Test (BAT), teacher assessments, replacement of musical instruments, re-instating sports in middle schools, and replacement of school buses. He noted that this year, 98 propane high-energy efficient, eco-friendly buses were on the street, saving about \$1 million a year in maintenance and fuel costs.

The Superintendent stated that since the first Budget Public Hearing on July 29, 2014, the SAT/ACT administration initiative has been added, involving 31 high schools to encourage students with college readiness, increase merit scholars, and develop rigorous curriculum that will assist students to achieve college and career readiness.

Presentation – 2014-2015 School District Budget

Oleg Gorokhovsky, Director, Budget, presented highlights of the final budget, through PowerPoint presentation, as shown in the School District Budget book:

Revenue per Student Florida Education Finance Program (page 6)
Broward County Gross Taxable Value (page 7)

Millage and Taxes:

- Comparison of Millage Rates in Large Florida School Districts (Chart - page 8)
- Comparison of Millage Rates (Chart - page 9)
- Rolled Back Rates (page 10)
- Comparison of Budgeted Revenue Sources (All Funds) (Chart - page 11)

General Fund:

- Estimated Revenue and Appropriations (Chart - page 12)

Omar Shim, Director, Capital Budget, reviewed the amendments of the first year of the Capital Budget as presented in the Revised Tentative District Educational Facilities Plan Public Hearing on September 15, 2014.

Mr. Shim referred to Revised Item 2, page 4, Critical Projects and District Initiatives, reduction of non-facility Capital equipment from \$60 million to \$53 million and \$48 million to \$41 million; page 5, from \$60 million to \$53 million; page 6, changes of E-Rate, weight rooms, school website enhancement program, and Information Technology (IT) radio communications migration. In addition, Mr. Shim referred to Item 2, Exhibit 3 (handout) District Summary Budget, page 19, a resolution/form required by the Department of Education DOE.

Mr. Shim presented highlights of the Capital budget, through PowerPoint presentation, as shown in the School District Budget (handout - Revised):

Capital Projects Fund

2014-2015 Estimated Revenue and Appropriations (page 29 - Facility Project Funding, Short-Term Reserve and Long-Term Reserve)

2014-2015 Estimated Appropriations (\$000) - (page 31 - Facility Project Funding, Short-Term Reserves, Long-Term Reserve)

Mrs. Bartleman announced her appearance telephonically.

Chair Good called upon the assembly for public comments on this item. (There was no public participation).

Mrs. Korn referred to Item 2, District Summary Budget, General Fund - Fund 100, Salaries, and inquired whether this would include teacher salaries, \$792,278,520.

Mr. Gorokhovsky confirmed that this figure includes what was negotiated last year for the projected teacher raises for this school year. It also includes \$17 million that was set aside for Performance Pay (second year implementation). Mr. Gorokhovsky also confirmed that high school teachers were being paid back over a five-year period for the extra period, as reflected on this page, and regular salaries.

SUPERINTENDENT'S RECOMMENDATIONS:

1. Resolution Adopting Millage Rates (Adopted)

Motion was made by Mrs. Rich Levinson, seconded by Dr. Osgood and carried, to adopt Resolution #15-77, adopting millage rates for Fiscal Year 2014-2015. (9-0 vote)

It is recommended that the School Board adopt Resolution #15-01 adopting the millage rates for the 2014-2015 fiscal year.

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Adoption of the millage rates will generate \$1,096,347,542.

Agenda Items 1 and 2 were discussed concurrently.

Following the discussion, a vote was taken on Agenda Item 1.

2. Resolution Adopting Final Budget (Adopted)

Motion was made by Mrs. Rich Levinson, seconded by Dr. Osgood and carried, to adopt Resolution #15-78, adopting the final budget for Fiscal Year 2014-2015. **This item was revised due to changes made to the Revised Tentative District Educational Facilities Plan. (9-0 vote)**

It is recommended that the School Board adopt Resolution #15-78 approving the final budget for the 2014-15 fiscal year. Chapters 200 and 1011 of the Florida Statutes require that the School District approve the final budget for the fiscal year July 1, 2014 through June 30, 2015.

The recapitulation of this budget is scheduled below:

Fund Title:

General Fund -	\$2,194,678,645
Special Revenue (Food Service) -	151,268,476
Special Revenue (Other Federal Programs)	205,373,577
Special Revenue (Race-to-the-Top) -	14,116,859
Special Revenue (Miscellaneous) -	4,275,847
Debt Service -	181,202,990
Capital Projects -	510,532,556
Internal Services -	1,027,796
Sub-Total	<u>\$3,265,476,746</u>
Less Transfers Out -	<u>(\$249,789,350)</u>
Total All Funds -	\$3,015,687,396

The total annual budget for all funds, including transfers out of \$249,789,350 is \$3,015,687,396.

Agenda Items 1 and 2 were discussed concurrently.

Jeff Moquin, Chief of Staff, assumed the Superintendent's seat on the dais in his absence.

Appearing telephonically, Mrs. Rupert inquired whether a chart was included that illustrates the debt carryover from year to year.

I. Benjamin Leong, Chief Financial Officer, replied that there is not a separate chart on the debt carried over but staff will share the calculations.

Mr. Gorokhovsky reviewed the last five (5) years budget amount for the Debt Service and the percentages as compared to the total budget: Year 2010-2011 (5.25%), year 2011-2012 (6.14%), year 2012-2013 - fluctuated down to 5.64%, year 2013-2014 (5.8%), and currently, year 2014-2015 proposed year (5%).

Mrs. Rupert requested that the budget book include this information, in the future.

Discussing the Class Size penalty and split grade classrooms, Mrs. Rupert requested staff to analyze the number of combination classes that the district is running this year as compared to last year, to see whether or not it has expanded.

Mrs. Good indicated that in moving forward the district has to look at different ways to meet Class Size and every year the district should be making strides to meet Class Size goals. Mrs. Good stated that the state may penalize the district and that will take away from being able to put money back into the classroom.

Brian Kingsley, Acting Chief Academic Officer, acknowledged the challenges presented with split grade classrooms, especially when combined with the shift in new standards and new assessments at specific grade levels. Mr. Kingsley stated that currently in the system the office of School Performance & Accountability and the office of Portfolio Services are working directly to support principals through the Classroom Size Reduction (CSR). The office of Academics in conjunction with Talent Development will work together to provide principals and school support on how to execute these strategies effectively and efficiently if long-term solutions are known.

Mr. Moquin concurred with Board Member Rupert that a review will be made of the Class Size strategy plan that addresses the issues regarding training for teachers, timeline and best practices, with an update provided to the Board.

Mrs. Rupert discussed the reference of the replacement of musical equipment as it relates to the amendments made at the Revised Tentative District Educational Facilities Plan Public Hearing on September 15, 2014.

Mr. Shim referred to the revisions noted on page 6 and the District Summary Budget (handout) and stated the revised amount indicates from \$2.7 million to \$1.7 million. Although the music equipment was revised to \$1.5 million, there is an additional \$200,000 that included lighting and sound equipment in drama and other areas that were not cut.

Mrs. Rupert referred to page 29 (revised chart) and noted the Short-Term Reserve and Long-Term Reserve, and the reduction of the Non-Facility Funding decrease from 16% to 14%.

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Mrs. Korn spoke about the impact to some classes based on the Class Size Reduction and the strategies implemented, and stated she appreciates the training to support teachers who are in different instructional settings. Mrs. Korn supported any funding opportunities that occur throughout the year so additional teachers can be hired for the traditional instructional setting.

A vote was taken on Agenda Item 2.

Adjournment: This meeting was adjourned at 6:25 p.m.

RT